

## **SENATE FILE 604 (2007)**

### **HISTORY**

Introduced as SSB1356 (Proposed Ways and Means Committee Bill by Chairperson Bolkcom)

Voted out of Ways and Means Committee and renumbered SF604

Passed the Senate 26 to 22 on April 25, 2007

Referred to House Ways and Means Committee on April 26, 2007

### **WHAT THE BILL DOES**

- Creates a new class of property (commercial residential property) and establishes a percentage of actual value at which this class of property is to be assessed; the percentage is phased in over 7 years beginning with 1/1/2008 (92.5% of actual value; 85%; 77.5%; 70%; 62.5%; 55%; and ending with (for assessments years 1/1/2014 and thereafter) the percentage being the same as the percentage of actual value established for residential property  
Phase-in had been 5 years -- amended on Senate floor
- Creates a property tax replacement fund to replace the dollars lost from the percentage reduction in actual value for commercial residential property (see above); paid to local governments for 7 years -- from FY09-10 to FY15-16; \$18M appropriated annually to pay claims;
- Establishes a minimum percentage of actual value at which residential property would be assessed; beginning assessment year 1/1/2008; shall not be less than the percentage of actual value determined for residential property for assessment year beginning 1/1/2006 (45.5596%).  
Had been 2007, but was amended to 2006 on Senate floor.
- Provides that if a portion of a parcel of property classified as commercial residential property is not used for human habitation, the assessor shall separately assess the multiple uses of the property. Currently, the standard is primary use when there are multiple uses.  
This provision was added by amendment on the Senate floor.
- Establishes a legislative property tax study committee -- very similar to the committee that is meeting now which was established originally in HF 931 and then amended into SF 601 (relating to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, and reducing appropriations, providing for salaries and compensation of state employees, providing for tax credits, providing for fees and penalties, and providing for properly related matters, and including effective date provisions).

## **HOUSE FILE 931 (2007)**

### **BILL HISTORY**

Introduced as HF905 by Representative Wise

Voted out of Ways and Means Committee and renumbered HF931

Rereferred to Ways and Means Committee on April 28, 2007

### **WHAT THE BILL DOES**

- Provides an income tax credit of \$320 for property taxes paid on improved commercial property if the taxpayer owns less than \$300,000 of improved commercial property in the aggregate statewide; refundable or carryforward to following tax year  
"Improved" means containing one or more structures that are being put to productive use  
Credit retroactive to 1/1/2007  
Credit repealed 1/1/2012
- Reduces the assessment limitation for commercial and industrial property to one percent (1%), meaning that if valuations grow by more than one percent the valuations will be rolled back  
Phased in -- 1/1/2008, three percent (3%); 1/1/2009, two percent (2%); 1/1/2010 and thereafter, one percent (1%)
- Establishes a legislative property tax study committee (the one that is currently meeting and that will continue to meet during the 2008 interim)